

2018–19 ENTERPRISE RISK MANAGEMENT PLAN



FUND SUSTAINABILITY

OBJECTIVE (2017–22 Strategic Plan)

Fund the System through an integrated view of pension assets and liabilities by leading facilitation of the asset liability management (ALM) process.

Initiative 1

Facilitate the Asset Liability Management Advisory Committee (ALMAC) to assist the Board in making decisions throughout the ALM cycle.

2018–19 Deliverable

- » Continue implementation of strategic asset allocation targets
- » Conduct review of Asset Liability Management Policy



RISK MANAGEMENT

OBJECTIVE

Enhance Enterprise Internal Control Framework to advance risk management capabilities and provide the Board with heightened assurance.

Initiative 1

Implement Operational Risk Event Reporting, Phase 1. (2018–22)

2018–19 Deliverable

- » Conduct phased divisional operational risk event training.

Initiative 2

Establish internal control repository, including standardized cross-functional process maps to document internal controls for the enterprise-wide functions. (2018–22)

2018–19 Deliverables

- » Finalize phased implementation plan for internal control documentation.
- » Map select enterprise-wide functions per implementation plan.

OBJECTIVE

Collaborate with the programs in the identification, assessment, and monitoring of risk within the Board's appetite.

Initiative 1

Complete the Annual Enterprise Risk Assessment.

2018–19 Deliverables

- » Update and revise Enterprise Risk Profiles
- » Update and revise Heatmap
- » Update and revise risk appetite statements

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Initiative 2

Finalize Strategic Risk Measures that reflect the Board's appetite for risk.

2018–19 Deliverables

- » Establish thresholds
- » Provide Board with Strategic Risk Measure Dashboard

Initiative 3

Incorporate Integrated Assurance Maps into the annual Enterprise Risk Assessment.

2018–19 Deliverable

- » Evaluate entity-level internal controls in collaboration with the Integrated Assurance work group

Initiative 4

Adapt the current Risk Management Framework for program-level risk assessment in collaboration with the Enterprise Compliance team.

2018–19 Deliverables

- » Create identification and assessment tools for risks and controls at the program-level
- » Create a standardized process for conducting and reporting program-level assessments

OBJECTIVE (2017–22 STRATEGIC PLAN)

Enhance compliance and risk functions throughout the enterprise.

Initiative 1

Educate CalPERS' team members and stakeholders on the importance of a risk-intelligent organization through the implementation of the ERMD Communication Plan. (2018–22)

2018–19 Deliverables

- » Present Enterprise Risk Framework at Ed Forum
- » Publish an Inside CalPERS Article
- » Perform monthly team member outreach

Initiative 2

Enterprise Data Governance: Create/enhance policies and processes to strengthen appropriately defined data-driven decisions, ensure intent is understood, and improve the consistency of data use across the enterprise which includes people, process, technology and culture dimensions. (2018–22)

2018–19 Deliverables

- » Develop change management plans including Communication and Training Plans and model development for Data Management metrics.
- » Define and articulate a set of repeatable Data Management, Business Intelligence, and analytics-oriented set of services to be offered to CalPERS lines of business in a consistent, transparent, and predictable way.
- » Create new Strategic Plan deliverables